



Media Release: Friday, February 20, 2015, 4:30 p.m.

Regional Municipality of Waterloo

Administration and Finance Committee

Agenda

Tuesday, February 24, 2015

Approximately 11:00 a.m. (Immediately following the Planning and Works Committee)

Regional Council Chamber

150 Frederick Street, Kitchener

-
- 1. Declarations of Pecuniary Interest Under The “Municipal Conflict of Interest Act”**
 - 2. Delegations**
 - 3. Presentations**
 - a) Lee Fitzpatrick, Chair and Lisa Hummel, Coordinator, Children’s Safety Village, Re: Overview of Strategic Plan
 - b) Corporate Services Departmental Overview Presentation – Craig Dyer, Commissioner and Chief Financial Officer

Consent Agenda Items

Items on the Consent Agenda can be approved in one motion of Committee to save time. Prior to the motion being voted on, any member of Committee may request that one or more of the items be removed from the Consent Agenda and voted on separately.

4. **Request to Remove Items from Consent Agenda**
5. **Motion to Approve Items or Receive for Information**
 - a) [Minutes](#) of the Audit Committee – February 3, 2015 (Approval) 1
 - b) [COR-TRY-15-14](#), 2015 Annual Repayment Limit (Information) 4
 - c) [COR-TRY-15-16](#), Proposed CDS Debenture Fee Increases (Information) 9

Regular Agenda Resumes

6. **Reports – Corporate Services**
 - a) [COR-FSD-15-04](#), Grant Application to Fund Regional Development Charges – Habitat for Humanity 14
7. **Information/Correspondence**
 - a) Council Enquiries and Requests for Information [Tracking List](#) 18
8. **Other Business**
9. **Next Meeting – March 24, 2015**
10. **Motion to Go Into Closed Session**

That a closed meeting of the Administration and Finance and Community Services Committees be held on Tuesday, February 24, 2015 immediately following the Administration and Finance Committee meeting in the Waterloo County Room, in accordance with Section 239 of the “Municipal Act, 2001”, for the purposes of the following subject matters:

- a) advice that is subject to solicitor-client privilege related to agreements
 - b) personal matters about identifiable individuals related to committee appointments
 - c) personal matters about identifiable individuals related to financial matters
11. **Adjourn**



Regional Municipality of Waterloo

Audit Committee

Minutes

Tuesday, February 3, 2015

2:25 p.m.

Waterloo County Room

150 Frederick Street, Kitchener, Ontario

Present were: Chair S. Strickland, T. Galloway, G. Lorentz, K. Redman and K. Seiling*

Declarations of Pecuniary Interest under the “Municipal Conflict of Interest Act”

None declared.

Presentations

Peter Barr and Adam Cross, Deloitte, LLP, presented an overview of the Region of Waterloo 2014 Audit Service Plan. P. Barr outlined the audit approach and the risk assessment areas of audit focus. He noted the materiality parameters, as set by Deloitte.

* K. Seiling joined the meeting at 2:31 p.m.

Motion to Go Into Closed Session

Moved by T. Galloway

Seconded by G. Lorentz

That a closed meeting of the Audit Committee be held on Tuesday, February 3, 2015 at 2:35 p.m. in the Waterloo County Room at 150 Frederick Street, in accordance with Section 239 of the “Municipal Act, 2001”, for the purpose of considering the following subject matters:

- a) the security of the property of the municipality
- b) personal matters about an identifiable individual, including municipal employees

Carried

Motion to Reconvene Into Open Session

Moved by T. Galloway

Seconded by G. Lorentz

That the Audit Committee reconvene into Open Session.

Carried

Reports

- a) CAO-IAU-15-02, 2014 Internal Audit Report

Mike Murray, Chief Administrative Officer, provided opening remarks.

David A. Young, Manager, Internal Audit, noted that there were three (3) compliance audits conducted in 2014 and that an internal control review was conducted of the Region's Grand River Transit (GRT) inventory and Fleet inventory processes. He advised that Internal Audit was also engaged with two (2) reviews: the Lean Methodology Pilot and the Region of Waterloo Service Review.

M. Murray responded to Committee questions related to the employee expenses process and Craig Dyer, Commissioner of Corporate Services and Chief Financial Officer, advised that staff are reviewing the manual process to determine the most efficient placement of this task within the two Finance divisions.

Received for information

- b) COR-FSD-15-02, 2014 Year-End Audit

C. Dyer introduced the report, noting that the appendix was included to give the Committee the full scope of Deloitte's engagement. He stated that the 2014 Audited Financial Statements will be presented to the Audit Committee on May 5, 2015. He advised that the federal gas tax audit was removed from the year-end audit since it is no longer required per the new ten-year agreement.

Received for information

Other Business

In response to a Committee inquiry, C. Dyer provided a summary of the review and processes established in collaboration with area municipalities regarding all mayors' expense accounts. M. Murray added that staff will prepare a memo for Councillors outlining the protocol.

Next Meeting – May 5, 2015**Adjourn**

Moved by K. Redman

Seconded by G. Lorentz

That the meeting adjourn at 3:00 p.m.

Carried

Committee Chair, S. Strickland

Committee Clerk, S. Natolochny



Report: COR-TRY-15-14

Region of Waterloo

Corporate Services

Treasury Services

To: Chair Sean Strickland and Members of the Administration and Finance Committee

Date: February 24, 2015

File Code: F08-20

Subject: 2015 Annual Repayment Limit

Recommendation:

For Information

Summary: Nil

Report:

The Ministry of Municipal Affairs and Housing establishes borrowing limits for municipalities on an annual basis in accordance with Ontario Regulation 403/02. This Annual Repayment Limit (ARL), which is determined based on a prescribed formula and information reported by the municipality, establishes the municipality's capacity to take on new debt.

The ARL for a given year is calculated by taking twenty-five percent (25%) of the municipality's own source revenue (i.e. revenues excluding federal and provincial grants, contributions, transfers from reserve and reserve funds and proceeds from the sale of real property) as reported in the prior year's Financial Information Return less net debt charges for the same year. The resulting ARL establishes the amount of additional debt servicing costs the municipality can incur without approval from the Province. The potential new debt associated with the ARL along with existing debt results in the municipality's total debt capacity.

The Region of Waterloo recently received its 2015 ARL which is attached as Appendix 1. The limit of \$108 million represents the maximum amount which the Region can commit to new debt payments (principal and interest) in 2015. Assuming a 20 year term

and 5% rate of interest, the Region has capacity for \$1.345 billion of new debt for 2015. To put this into context, the Region's 2015 capital program contemplates a debenture requirement of approximately \$90 million.

The following table shows the 2014 and 2015 ARLs.

Year	2014 (based on 2012 data)	2015 (based on 2013 data)
Net Revenue	\$617.2 m	\$640.9 m
25% of Net Revenue	\$154.3 m	\$160.2 m
Less: Total Existing Debt Charges	\$48.1 m	\$52.2 m
Annual Repayment Limit	\$106.2 m	\$108 m *
Capacity for New Debt (based on 5% for 20 years)	\$1.324 b	\$1.345 b *

* The 2015 ARL and resulting capacity for new debt does not include the \$8.01 million of annual debt servicing costs from the \$117.3 million of debentures the Region issued for its own purposes in 2014.

Although the Region is responsible for issuing long term debt for itself and the area municipalities, the Region and the area municipalities each have their own separate debt repayment limits. The debt repayment limits imposed by the Ministry provide on-going control over the addition of new municipal debt and ensure that debt repayment does not overburden municipal taxes or user rates. Municipalities wanting to issue more debt than allowed under their ARL are required to seek approval from the Ontario Municipal Board.

Corporate Strategic Plan:

The Region's capital financing program, excellent credit rating, prudent use of debenture financing and monitoring of its debt capacity meets the Service Excellence objective of ensuring services are efficient and effective and demonstrate accountability to the public.

Financial Implications:

While the Region does have a robust capital program planned for the next 10 years, debt outstanding is expected to remain well below the limit established by the Province. Staff continues to review and monitor the capital program to ensure debt levels remain well within the Ministry limits and do not impact the Region's Aaa credit rating issued by Moody's Investors Service. Although the Region has a substantial amount of debt

capacity, staff continue to recommend the use of direct contributions from the operating budget as well as the Capital Levy Reserve Fund as financing tools to minimize the amount of debt issued by the Region of Waterloo for its own purposes.

It is noted that based on an estimated current 20 year borrowing cost of 3.0%, the Region's capacity to take on new debt is \$1.6 billion.

Other Department Consultations/Concurrence: Nil

Attachments:

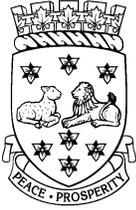
Appendix 1 – Region of Waterloo 2015 Annual Repayment Limit

Prepared By: Angela Hinchberger, Director of Treasury Services/Deputy Treasurer

Approved By: Craig Dyer, Commissioner of Corporate Services/Chief Financial Officer

DETERMINATION OF ANNUAL DEBT REPAYMENT LIMIT		
(UNDER ONTARIO REGULATION 403/02)		
MUNICIPALITY:	Waterloo R	MMAH CODE: 25000
Debt Charges for the Current Year		
0210	Principal (SLC 74 3099 01)	36,833,264
0220	Interest (SLC 74 3099 02)	12,736,815
0299	Subtotal	49,570,079
Ontario Clean Water Agency Provincial Projects		
0410	Water projects - For this Municipality only (SLC 74 2810 03)	0
0420	Water projects - Share of integrated project(s) (SLC 74 2820 03)	0
0430	Wastewater projects - For this Municipality only (SLC 74 2830 03)	0
0440	Wastewater projects - Share of integrated project(s) (SLC 74 2840 03)	0
0499	Subtotal	0
0610	Payments for Long Term Commitments and Liabilities financed from the consolidated statement of operations (SLC 42 6010 01)	2,668,537
9910	Total Debt Charges	52,238,616
Amounts Recovered from Unconsolidated Entities		
1010	Electricity - Principal (SLC 74 3030 01)	0
1020	Electricity - Interest (SLC 74 3030 02)	0
1030	Gas - Principal (SLC 74 3040 01)	0
1040	Gas - Interest (SLC 74 3040 02)	0
1050	Telephone - Principal (SLC 74 3050 01)	0
1060	Telephone - Interest (SLC 74 3050 02)	0
1099	Subtotal	0
1410	Debt Charges for Tile Drainage/Shoreline Assistance (SLC 74 3015 01 + SLC 74 3015 02)	18,167
1411	Provincial Grant funding for repayment of long term debt (SLC 74 3120 01 + SLC 74 3120 02)	0
1412	Lump sum (balloon) repayments of long term debt (SLC 74 3110 01 + SLC 74 3110 02)	0
1420	Total Debt Charges to be Excluded	18,167
9920	Net Debt Charges	52,220,449
Total Revenues (Sale of Hydro Utilities Removed) (SLC 10 9910 01)		
1610		904,469,886
Excluded Revenue Amounts		
2010	Fees for Tile Drainage / Shoreline Assistance (SLC 12 1850 04)	0
2210	Ontario Grants, including Grants for Tangible Capital Assets (SLC 10 0699 01 + SLC 10 0810 01 + SLC 10 0815 01)	191,360,545
2220	Canada Grants, including Grants for Tangible Capital Assets (SLC 10 0820 01 + SLC 10 0825 01)	14,673,228
2225	Deferred revenue earned (Provincial Gas Tax) (SLC 10 830 01)	0
2226	Deferred revenue earned (Canada Gas Tax) (SLC 10 831 01)	16,220,824
2230	Revenue from other municipalities including revenue for Tangible Capital Assets (SLC 10 1098 01 + SLC 10 1099 01)	1,614,080
2240	Gain/Loss on sale of land & capital assets (SLC 10 1811 01)	606,169
2250	Deferred revenue earned (Development Charges) (SLC 10 1812 01)	39,144,903
2251	Deferred revenue earned (Recreation Land (The Planning Act)) (SLC 10 1813 01)	0
2252	Donated Tangible Capital Assets (SLC 53 0610 01)	0
2253	Other Deferred revenue earned (SLC 10 1814 01)	0
2254	Increase / Decrease in Government Business Enterprise equity (SLC 10 1905 01)	0
2299	Subtotal	263,619,749
2410	Fees and Revenue for Joint Local Boards for Homes for the Aged	0
2610	Net Revenues	640,850,137
2620	25% of Net Revenues	160,212,534
9930	ESTIMATED ANNUAL REPAYMENT LIMIT	107,992,085
	(25% of Net Revenues less Net Debt Charges)	

* SLC denotes Schedule, Line Column.



Report: COR-TRY-15-16

Region of Waterloo

Corporate Services

Treasury Services

To: Chair Sean Strickland and Members of the Administration and Finance Committee

Date: February 24, 2015

File Code: F08-20

Subject: Proposed CDS Debenture Fee Increases

Recommendation:

For Information

Summary:

Nil

Report:

CDS Clearing and Depository Services Inc. (CDS) is Canada's national securities depository, clearing and settlement hub supporting Canada's equity, fixed income and money markets. CDS is required to conduct its business and operations in a manner that is consistent with the public interest.

The Region, like many other Ontario municipalities that issue debentures, uses CDS services at the time a debenture issue is set up at CDS and for the subsequent payments of principal and interest on the debentures. CDS services include: the issuance of International Security Identification Numbers (ISINs) which uniquely identify a security; determining depository eligibility; securities registration related services; and acting as a payment agent. The Region pays the principal and interest payable on the CDS debentures to CDS for transmittal to the holders of the debentures.

In November 2014, CDS advised that, subject to regulatory approval, it intends to amend its fee schedule for certain issuer services as shown in Appendix 1. The proposed new fees are scheduled to take effect April 1, 2015, subject to the prior

approval of the securities commissions of British Columbia, Ontario and Quebec. At present, CDS fees for municipal debentures are paid at the time the issue is set up at CDS and those fees (\$1,000 per issue including HST) are covered by the Region's fiscal agent syndicate.

CDS is proposing new "Event Management Fees" which will affect future Regional debenture issues. They include:

- \$100 Event Management Fee for interest payments
- \$150 Event Management Fee for maturity payments
- \$250 Event Management Fee for mandatory no option payments
- \$ 50 Event Management Fee for each time CDS manages a payment release

CDS is also proposing some minor changes to issuance, eligibility and registration related fees which will not affect the Region as those fees will continue to be covered by the Region's fiscal agent syndicate.

The Event Management Fees will have a direct impact on municipalities that issue debentures through CDS and the impact will be significant for municipalities that issue serial or instalment debentures, such as the Region of Waterloo. For a 10 year serial debenture issue, the new Event Management Fees is expected to be the range of \$17,500 over the 10 year debenture term depending on how CDS applies the \$250 Event Management Fee for mandatory no option payments. A serial debenture issue is essentially several debentures issued at the same time as one series with principal maturing in each year during the collective term of all the debentures. Serial debentures have a greater number of interest and maturity payments compared to sinking fund debentures. Event Management Fees for a 10 year sinking fund debenture issue are expected to be approximately \$5,500. At present, CDS does not charge Event Management Fees.

Serial debenture issues are a cost-effective financing tool that constitutes the financing tool of choice for over 90% of Ontario municipalities that issue debentures through CDS. The proposed new fees, including higher Event Management Fees for serial debenture issues, will reduce the number of viable financing options and increase the cost of borrowing for Ontario municipalities at a time when Ontario municipalities, as a sector, are trying to deal with infrastructure deficits in the most cost-effective manner. Staff does not believe that the application of the proposed new fees to the Region and to other municipal issuers is in the public interest.

Potential Retroactivity

A significant concern for the Region, as well as other municipalities that use CDS, is the potential for the proposed Event Management Fees to be applied retroactively to debentures that are currently outstanding in the CDS system. In late November, 2009

the Region entered into CDS's new standard form agreement, referred to as the "Book Entry Only Securities - Services Agreement" pursuant to which CDS fees are payable, if and when due, in accordance with CDS fee schedule, as amended from time to time. However, that agreement was modified for the specific benefit of the Region and 20 other Ontario municipalities by Rider 1. Under Rider 1, new fees would not be payable by the Region with respect to debentures (i) already issued through CDS at the date of Rider 1 and (ii) issued after the date of Rider 1 but prior to the effective date of any subsequent amendment to the CDS fee schedule.

CDS has indicated their intention to renegotiate the agreements with the "Rider 1" municipalities. A retroactive application of the proposed Event Management Fees would have a significant impact on the Region which currently has 23 debenture issues outstanding with CDS of which 8 are sinking fund debentures and 15 are serial debentures. Based on initial calculations, the 2015 impact of the new Event Management Fees would be approximately \$55,000. The Event Management Fees would total approximately \$350,000 over the years 2015-2043 for outstanding Regional CDS debenture issues.

Actions to Date / Next Steps

A working group of municipal finance staff, fiscal agents, and the Municipal Finance Officers Association of Ontario (MFOA) have been consulting with lawyers involved in municipal debenture issues and the group is in discussions with CDS regarding the impact of the proposed new fees and the potential retroactivity of the Event Management Fees. A request to defer the April 1, 2015 implementation date has been made to CDS to allow for further discussion and consultation. If the implementation date is not extended, certain municipalities, all of which are "Rider 1" municipalities, have retained external legal counsel to raise the matter with the security commissions of British Columbia, Ontario and Quebec.

Impact on Area Municipalities

As an upper-tier municipality, the Region issues debentures for capital works of the area municipalities. Depending on the outcome of the MFOA and municipal efforts in respect of the proposed new fees and how they will be imposed, the Region will assess the impacts and determine how best to deal with the increased costs relative to debenture issues involving the area municipalities.

Corporate Strategic Plan:

Providing Committee with an update on this issue aligns with Strategic Objective 5.3 to ensure Regional programs and services are efficient and effective and demonstrate accountability to the public.

Financial Implications:

As noted in the report.

Other Department Consultations/Concurrence: Nil

Attachments:

Appendix 1 – CDS Proposed Issuer Service Fees (CDS Appendix A)

Prepared By: Angela Hinchberger, Director of Treasury Services/Deputy Treasurer

Approved By: Craig Dyer, Commissioner of Corporate Services/Chief Financial Officer

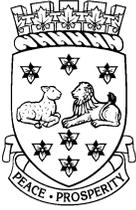
Appendix 1 – CDS Proposed Issuer Service Fees (CDS Appendix A)

SROs, Marketplaces, Clearing Agencies and Trade Repositories

Appendix A: Proposed Issuer Services Fees

Current Fee Description	Proposed Fee Description	Existing fee	Proposed Fee	Change Description
ISIN Issuance – Debt NHA	ISIN Issuance – CDS	\$140	\$160	Standard base price per ISIN or issuer code, consolidated into a single proposed fee for each of the items.
ISIN Issuance – Debt Medium Term Note (MTN)		\$25		
ISIN Issuance – Package		\$230		
ISIN Issuance – Strip Bond		\$105		
ISIN Issuance – Standard & Poor's	ISIN Issuance – Standard & Poor's	\$325	\$268	Standard base price plus S&P pass-through
No description	ISIN issuance – Serial Bond Items	No Fee	\$35	Charge for each additional ISIN
No description	Security eligibility administration	No Fee	\$475	Charge per eligibility request
No description	Certificated BEO Global	\$550	\$125	Charge per eligibility request and number of certificates
No description	Eligibility Admin-48 hour late fee	No Fee	\$2,000	Charge per request received less than 48 but more than 24 hours before the closing date
No description	Eligibility Admin-24 hour late fee	No Fee	\$5,000	Charge per request received less than 24 before the closing date
No description	Eligibility Admin-closing date late fee	No Fee	\$10,000	Charge per request received on the closing date
No description	Event management-MM interest and maturity	No Fee	\$10	Charge per event
No description	Event management-NHA Interest	No Fee	\$10	Charge per event
No description	Event management-NHA Maturity	No Fee	\$20	Charge per event
* No description	Event management-Interest	No Fee	\$100	Charge per event
* No description	Event management-Maturity	No Fee	\$150	Charge per event
No description	Event management-Dividends	No Fee	\$100	Charge per event
* No description	Event management-Mandatory no option	No Fee	\$250	Charge per event
No description	Event management-With choice	No Fee	\$250	Charge per event
No description	Event management-ETF	No Fee	\$250	Charge per event (e.g., Systematic Withdrawal Plans (SWP), Switches, and Pre-Authorized Cash Contribution plans (PACC))
* No description	Event management-Paying agent	No Fee	\$50	Charge per event where CDS manages payment release
No description	Event management-Depository agent	No Fee	\$100	Charge per event where CDS manages the event as the depository agent

NOTE: All fees are in Canadian Dollars



Report: COR-FSD-15-04

Region of Waterloo

Corporate Services

Financial Services & Development Financing

To: Chair Sean Strickland and Members of the Administration and Finance Committee

Date: February 24, 2015

File Code: F27-50

Subject: **Grant Application to Fund Regional Development Charges – Habitat for Humanity**

Recommendation:

That the Regional Municipality of Waterloo establish a policy for the term of Council that a grant be provided to cover the cost of Regional Development Charges for housing built as a Habitat for Humanity project, with the cost of the grant to be provided from the Housing RDC Grant Reserve Fund, as described in Report COR-FSD-15-04, dated February 24, 2015.

Summary: Nil

Report:

Habitat for Humanity, a registered charity, has requested per the attached correspondence, that the Region provide a grant to cover the cost of Regional Development Charges for housing built as a Habitat for Humanity Project.

In 1998, Council approved a policy for that term under which a grant would be provided to Habitat for Humanity projects for the user rate portion of the Regional Development Charge, to be funded from the user rate (water and wastewater) budgets. In 2001, 2004, 2007 and 2011, Council approved a policy for the term of Council under which grants would be provided to Habitat for Humanity projects for the full Regional Development Charge, to be funded from the Housing Reserve Fund. The Development Charge grants provided to Habitat for Humanity since 2001 are as follows:

Council Term	RDC Grants Provided	Habitat for Humanity Units
2001-2003	\$ 58,794	9 Single Detached, 2 Semi-Detached
2004-2006	\$ 65,140	5 Single Detached, 3 Townhouse
2007-2011	\$124,900	19 Townhouse
2011-2014	\$182,576	20 Townhouse, 2 Apartment

Habitat for Humanity is currently constructing a condominium complex on Kehl Street in Kitchener that will include 50 townhouses when completed. Habitat for Humanity staff has advised that 11 of the units were constructed in 2013-2014; approximately 22 units will be built over the next four years and the remaining units are planned to be built post 2018.

During the period 2015-2018, the proposed construction of approximately 22 townhouse units would, in the absence of a grant, incur Regional Development Charges of \$296,846 based on current rates. Providing a grant of \$13,493 (2015 rate) per townhouse to offset Regional Development Charges represents a significant benefit to the specific Habitat projects and continues Council's policy of supporting community housing initiatives. The Region also provides grants to cover Regional Development Charges and capital funding by way of forgivable loans to support the development of Affordable Housing Rental projects in the Region.

It is proposed that the policy of providing a grant to cover the cost of Regional Development Charges for housing built as a Habitat for Humanity project be adopted for the current term of Council to be funded from the Housing RDC Grant Reserve Fund.

Corporate Strategic Plan:

This report supports the Corporate Strategic Plan objective to work collaboratively to increase the supply and range of affordable housing and reduce homelessness under Strategic Focus Area 4 Healthy and Inclusive Communities.

Financial Implications:

Based on the projected number of Habitat for Humanity projects, the proposed policy to provide a grant to cover the full costs of Regional Development Charges on Habitat for Humanity projects is expected to amount to approximately \$296,846 over the next four years. No cap has been placed on the amount of grant provided. Grants to cover development charges cannot be funded from the Development Charge Reserve Fund and consequently must be funded from other sources, i.e. property taxes and user rates. The anticipated Habitat for Humanity grants would be funded from the Housing RDC Grant Reserve Fund which has a balance of \$1.2 million (as of December 31,

2014) and is used to fund grants to cover the Regional Development Charges for affordable housing projects in the Region of Waterloo including the Habitat for Humanity projects identified above.

Other Department Consultations/Concurrence:

Community Services Department staff has been consulted in the preparation of this report.

Attachments:

Letter dated January 16, 2015 from Seth Jutzi, Chair, Board of Directors and Martin Kern, Vice-Chair, Board of Directors, Habitat for Humanity Waterloo Region Inc.

Prepared By: Shane Fedy, Financial Analyst Transportation/RDC

Approved By: Craig Dyer, Commissioner of Corporate Services/Chief Financial Officer

January 16, 2015

Mr. Craig Dyer, CFO/Commissioner of Corporate Services
Regional Municipality of Waterloo
150 Frederick Street
P.O.Box 9051, Station C
Kitchener ON
N2G 4J3



Habitat
for Humanity
Waterloo Region

Celebrating
25 Years
1988-2013

Dear Mr. Dyer,

We are writing on behalf of the Board of Directors of Habitat for Humanity Waterloo Region (HFHWR). The purpose of our correspondence is to thank the Regional Municipality of Waterloo for its generous grant in lieu of Regional Development charges for our building projects. We respectfully request reauthorization of this support by the newly installed Regional Council.

HFHWR offers qualified low-income families with children the opportunity to purchase their first affordable home. This is achieved through a program that combines "sweat equity" in lieu of a down payment, an interest-free mortgage, and payments that are geared to the family's income, not a fixed term amortization. According to 2013 Regional statistics, 24.8% of renters are paying over 30% of income on housing. Based on income, approximately 25% of households in the Region could potentially fit within our income thresholds to qualify as Habitat partner families.

Our business model relies on the support of literally hundreds of citizens and dozens of corporations in our community. The Region's support through the waiver of development charges is equally essential to our success, both for the financial relief it affords, but also as validation of our work to the community.

In 2013, HFHWR celebrated its 25th Anniversary and completed its 100th home within Waterloo Region. HFHWR continues to serve the community while also furthering the Region's land-use strategy of infill and intensification. Currently, HFHWR is constructing its third condominium complex on Kehl Street in Kitchener. It is our most ambitious undertaking to date and includes 50 town homes.

The continued support of the Regional Municipality of Waterloo by providing a grant in lieu of development charges will be a tremendous help to our achieving our goals for the next four years. We are grateful to previous councils for their support and urge this council to continue providing the same level of support.

Yours truly,

Seth Jutzi,

Chair of the Board of Directors

Martin Kern,

Vice-Chair

Building Homes. Building Hope.

120 Northfield Drive East, Waterloo, ON N2J 4G8
Phone: 519-747-0664 Fax: 519-747-2153
Charitable Registration #13329 3928RR0001

Email: mail@hfhwr.ca
Website: www.hfhwr.ca



Council Enquiries and Requests for Information				
Administration and Finance Committee				
Meeting date	Requestor	Request	Assigned Department	Anticipated Response Date